

JAN 27 1998

Before the  
Federal Communications Commission  
Washington, D.C. 20554

Federal Communications Commission  
Office of Secretary

In the Matter of )  
 )  
Common Carrier Bureau Seeks Comment )  
for Report to Congress on Universal )  
Service Under the Telecommunications )  
Act of 1996 ) CC Docket No. 96-45 (Report to Congress)  
 )  
 )  
To: Federal Communications Commission  
Attn: Universal Service Report Working Group

PUBLIC COMMENTS IN REPLY TO DA 98-2 (JANUARY 5, 1998)

This comment is provided with respect to the second part of question (4) of the subject request for comments wherein the Commission seeks comments on "... the consistency with which the Commission has interpreted each of those provisions of section 254" [i.e., including section 254(h)(1)].

It is my personal opinion that the Commission has mis-interpreted the plain language of the Act in regard to what schools and libraries are required to do in order to obtain discounts on those products and/or services that the Commission defines as being eligible services.

In particular, I believe that the Commission has misinterpreted the term "bona fide request" as included in the plain language of Section 254(h)(1)(B) of PL 104-104 --

"All telecommunications carriers serving a geographic area shall, upon a **bona fide request** for any of its services that are within the definition of universal service under subsection (c)(3), provide such services to elementary schools, secondary schools, and libraries for education purposes at rates less than the amounts charged for similar services to other parties."

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I believe that the term “bona fide request”, **cannot** reasonably be interpreted to require most, if not all -- or any, of the “application requirements” proposed as a “reporting burden” on all of America’s schools and libraries by the FCC in its Universal Service Order of May 7, 1997 (Ref: paragraphs 570 - 580) which are summarized in paragraph 570 of the Order as follows:

“We concur with the Joint Board’s finding that Congress intended to require accountability on the part of schools and libraries and, therefore, we concur with the Joint Board’s recommendation and the position of most commenters that eligible schools and libraries be required to: (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit a complete description of services they seek so that it may be posted for competing providers to evaluate; and (3) certify to certain criteria under penalty of perjury.”

In contrast to this FCC decision whereby the reporting burden is placed on schools and libraries, the controlling statute actually requires that “All telecommunications carriers serving a geographic area shall...provide services...at a discount...” And, that “...A telecommunications carrier providing service under this paragraph shall-- (I) have an amount equal to the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service, or (ii) notwithstanding the provisions of subsection (e) of this section, receive reimbursement utilizing the support mechanisms to preserve and advance universal service.” [Ref: PL 104-104, Subsection 254(h)(B)]

Clearly, the only obligation placed on schools and libraries in this controlling statute is that they submit a “bona fide request” for services **to telecommunications carriers serving (their) geographic area**. All other requisite actions in the statute refer to actions between the FCC and telecommunications carriers with respect to “reimbursement” for services they provide. There is **no statutory requirement** for schools or libraries to: (1) conduct internal assessments, (2) submit

a complete description of services they seek to anyone other than “all telecommunications carriers serving (their) geographic area”, or (3) to make any inventory, planning, or curricular usage “certifications under penalty of perjury.”

The reporting requirements that the FCC has placed on schools and libraries are totally inconsistent with the statute’s intent to encourage local competition among providers and to provide discounts on telecommunications services that will stimulate acquisition and use of telecommunications infrastructures for educational purposes by America’s schools and libraries as “customers” not as “grant applicants.” The FCC’s proposed rules and reporting requirements treat schools and libraries as if they were applicants for grants from the Federal government rather than customers who must be given discounts on telecommunications services by telecommunications carriers serving their geographic area in accordance with PL 104-104, Section 254(h)(B).

In its most recent ruling<sup>1</sup>, the Commission rejects pleadings by the Global Village Schools Institute<sup>2</sup> for reconsideration of its excessively burdensome application requirements and erroneously concludes that --

“We find that the mere submission of a bona fide request is not an adequate substitute to ensure that these public interests goals are met.”

The Commission’s argument is that all of its excessively burdensome application

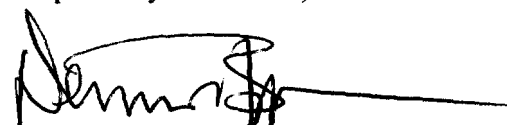
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<sup>1</sup> FCC 97-420, “Fourth Order on Reconsideration in CC Docket No. 96-45...”, paragraphs 145-148

<sup>2</sup> “Petition for Reconsideration”, Global Village Schools Institute, June 19, 1997

requirements derive from its interpretation of the term "bona fide request" and its erroneous belief that the Congress intended that schools and libraries be held accountable<sup>3</sup> by the Federal government for all local decision-making with respect to their purchases of telecommunications products and/or services. The Commission's conclusion that Congress intended for it to micro-manage every local school/library procurement of telecommunications products/services is simply not documented in the legislative history of this Act. And, no specific references to the legislative record have ever been included in any of the Commission's decision-making documents to support its interpretation of the term "bona fide request" or the Commission's belief that the Congress intended that schools and libraries be held accountable by the Federal government for all local purchases of telecommunications products and/or services at a discount.

Respectfully Submitted,



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January 26, 1998

Attachments:

- #1. FCC 97-420, paragraphs 145-148
- #2. GVSI Petition for Reconsideration dated June 19, 1997
- #3. FCC CCB Memorandum dated July 11, 1997

cc: Internal Transcriptions Service, Inc. (ITS)  
Sheryl Todd, FCC, Universal Service Branch,  
8th Floor, 2100 M Street, NW, Wash., DC 2054

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<sup>3</sup> FCC Common Carrier Bureau Memorandum from Irene Flannery to the OMB dated July 11, 1997 (See Attachment #3)

## 1. Background

145. In the *Order*, the Commission determined that eligible schools and libraries seeking universal service discounts shall be required to: (1) conduct an internal assessment of the components necessary to use effectively the discounted services they order; (2) submit a complete description of services they seek so that it may be posted for competing providers to evaluate; and (3) certify to certain criteria under penalty of perjury.<sup>428</sup> The Commission required eligible schools and libraries to prepare and submit technology plans as part of their application for service. To ensure that technology plans are based on the reasonable needs and resources of the applicant and are consistent with the goals of the program, the Commission required approval of an applicant's technology plan, by the state or another entity.<sup>429</sup> The Commission noted that it would consult with the Department of Education in designing an application for this process.<sup>430</sup> Schools and libraries seeking universal service support must file FCC Form 470 and FCC Form 471.<sup>431</sup>

## 2. Pleadings

146. Global Village Schools Institute (Global) contends that section 254(h)(1)(B) requires only that eligible schools and libraries submit a bona fide request for services.<sup>432</sup> Global seeks reconsideration of the Commission's decision to require schools and libraries to prepare or include reports of technology inventories or assessments in their applications for telecommunications services. Global asks that the Commission not require specific local education technology planning activities, independent approval of local education technology plans, or submission of local educational technology plans as part of the application for telecommunications services.<sup>433</sup> It argues that these application requirements are not essential elements of the purchasing process, that they usurp state and local authority for educational decision-making, and that they represent a reporting burden in excess of what is allowed

<sup>428</sup> *Order*, 12 FCC Rcd at 9076.

<sup>429</sup> *Order*, 12 FCC Rcd at 9078. The Commission also sought guidance from the Department of Education and the Institute for Museum and Library Services on alternative technology plan approval measures.

<sup>430</sup> *Order*, 12 FCC Rcd at 9076-9077.

<sup>431</sup> On December 8, 1997, the Commission's Common Carrier Bureau submitted to the Schools and Libraries Corporation the application forms to receive support under the federal universal service support mechanisms for schools and libraries. See Letter from A. Richard Metzger, Jr., FCC, to Ira Fishman, Schools and Libraries Corporation, dated December 8, 1997.

<sup>432</sup> Global petition at 3.

<sup>433</sup> Global petition at 8.

under the Paperwork Reduction Act.<sup>434</sup>

147. Florida Department of Management Services, requests authorization for Florida to use that state's Advanced Telecommunications Service Request Form during the first year of the new universal service support mechanisms to apply for support.<sup>435</sup>

### 3. Discussion

148. We conclude that the reporting requirements established in the *Order* for eligible schools and libraries are not unreasonably burdensome, and that they represent a reasonable means of ensuring that schools and libraries are capable of utilizing the requested services effectively. Section 254(h)(1)(B) provides for discounts on services that are used for educational purposes and that are provided in response to a bona fide request.<sup>436</sup> In the *Order*, the Commission agreed with the Joint Board that Congress intended to require accountability on the part of schools and libraries and therefore, consistent with section 254(h)(1)(B), required eligible schools and libraries to conduct an internal assessment of the components necessary to use effectively the discounted services they order.<sup>437</sup> We note that the application requirements established in the *Order* were recommended by the Joint Board and supported by a majority of commenters on this issue.<sup>438</sup> We affirm our decision, because we find that it is in the public interest to ensure that funds are distributed only to support eligible services that serve the needs of the school or library requesting support. We find that the mere submission of a bona fide request is not an adequate substitute to ensure that these public interest goals are met.

149. The Commission determined in the *Order* that it would not be unduly burdensome to require eligible schools and libraries to conduct a technology assessment, prepare a plan for using these technologies, and receive independent approval of such plans.<sup>439</sup> Moreover, the Commission took steps to eliminate unnecessary burdens, and prevent the need for duplicative review of technology plans. The Commission noted that many states have already undertaken state technology initiatives and that plans that have been approved for other purposes, e.g., for participation in federal or state programs, such as "Goals 2000," will

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<sup>434</sup> Global petition at 8-9.

<sup>435</sup> Florida Department of Management Services petition at 2.

<sup>436</sup> 47 U.S.C. § 254(h)(1)(B).

<sup>437</sup> *Order*, 12 FCC Rcd at 9076. See also section VI.C, *infra*.

<sup>438</sup> *Order*, 12 FCC Rcd at 9076.

<sup>439</sup> *Order*, 12 FCC Rcd at 9077.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
The Report And Order of the Commission	)	
on May 7, 1997 with respect to the	)	
	)	
Federal-State Joint Board on	)	CC Docket No.96-45
Universal Service	)	

**PETITION FOR RECONSIDERATION**

The Global Village Schools Institute (GVSI) submits the following request for reconsideration in response to the Commission's Report and Order in the above-captioned proceeding as published on June 17, 1997 in the Federal Register.

GVSI is a non-profit professional education association incorporated in the State of Virginia and whose purpose is to "promote, support and celebrate the efforts of people who are creating the next generation of American schools." GVSI has participated in these proceedings and has provided comments in the matter of Universal Service for schools and libraries both individually and as a member of the Education and Library Networks Coalition (EDLINC).

The issues we raise here for reconsideration have to do with reporting requirements that the Commission intends to place on every school and library in America in order for these eligible entities to obtain telecommunications services at the lowest corresponding price either with or without discounts as provided for those services in Public Law 104-104, Section 254(h)(1)(B).

Most of these reporting requirements come from the Commission's interpretation of the term "bona fide request" -- as included in Section 254(h)(1)(B) of PL 104-104 --

"All telecommunications carriers serving a geographic area shall, upon a **bona fide request** for any of its services that are within the definition of universal service under subsection (c)(3), provide such services to elementary schools, secondary schools, and libraries for education purposes at rates less than the amounts charged for similar services to other parties."

We believe that this governing statute cannot reasonably be interpreted to require most of the "application requirements" ordered as a "reporting burden" on all of America's schools and libraries by the FCC in its Universal Service Order of May 7, 1997 (Ref: paragraphs 570 - 580) which are summarized in paragraph 570 of the Order as follows:

"We concur with the Joint Board's finding that Congress intended to require accountability on the part of schools and libraries and, therefore, we concur with the Joint Board's recommendation and the position of most commenters that eligible schools and libraries be required to: (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit a complete description of services they seek so that it may be posted for competing providers to evaluate; and (3) certify to certain criteria under penalty of perjury."

In contrast to this FCC proposal where the reporting burden is placed on schools and libraries, the controlling statute actually requires that "All telecommunications carriers serving a



geographic area shall...provide services...at a discount...” And, that “...A telecommunications carrier providing service under this paragraph shall-- (i) have an amount equal to the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service, or (ii) notwithstanding the provisions of subsection (e) of this section, receive reimbursement utilizing the support mechanisms to preserve and advance universal service.” [Ref: PL 104-104, Subsection 254(h)(B)]

Clearly, the only obligation placed on schools and libraries in this controlling statute is that they submit a “bona fide request” for services to **telecommunications carriers serving (their) geographic area**. All other requisite actions in the statute refer to actions between the FCC and telecommunications carriers with respect to “reimbursement” for services they provide. There is **no statutory requirement** for schools or libraries to: (1) conduct internal inventories and assessments, (2) submit a complete description of services they seek to anyone other than “all telecommunications carriers serving (their) geographic area”, or (3) to make extra-ordinary certifications with respect to pre-application activities under penalty of perjury.

The reporting requirements that the FCC intends to place on schools and libraries are inconsistent with the statute’s intent to encourage competition among providers and to provide discounts on telecommunications services that will stimulate acquisition and use of telecommunications infrastructures for educational purposes by America’s schools and libraries as “customers” not as “grant applicants.” The FCC’s proposed rules and reporting requirements treat schools and libraries as if they were applicants for grants from the Federal government rather than customers who must be given discounts on telecommunications services by telecommunications carriers serving their geographic area in accordance with PL 104-104,

Section 254(h)(B).

The FCC's Director of AMD, Performance Evaluations and Records Management requested<sup>1</sup> approval from the Office of Management and Budget under the Paperwork Reduction Act for several requirements that it intends to place on schools and libraries in order for these entities to obtain discounted telecommunications services.

One of the most burdensome of these requirements is the FCC's intent to require that schools and libraries requesting discounted telecommunications services create and maintain facility inventories/assessments that contain detailed information that is not presently maintained by most schools and libraries, that is not essential for internal decision-making by schools and libraries as they formulate requests to acquire discounted telecommunications services, and which are almost impossible to create and maintain with sufficient accuracy to support required certifications by local school and/or library ordering officials under penalty of perjury.

This detailed facility inventory/assessment information is included in the Commission's Order (i.e., in Ref: paragraph 572 and 47 C.F.R. s 54.504(b)(1)(i-vi) which states that schools and libraries are required to submit applications that include "... a technology inventory/assessment"... which must ... "at a minimum provide the following information, to the extent applicable to the services requested:

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<sup>1</sup> Judy E. Boley, AMD, Performance Evaluations and Records Management letter with attached Paperwork Reduction Act Submission dated May 19, 1997 titled "Federal-State Joint Board on Universal Service, CC Docket 96-45" to Ms. Sally Katzen, Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

(1) the computer equipment currently available or budgeted for purchase for the current, next, or other future academic years, as well as whether the computers have modems and if so, what speed modems;

(2) the internal connections, if any, that the school or library already has in place or has budgeted to install in the current, next, or future academic years, or any specific plans relating to voluntary installations of internal connections;

(3) the computer software necessary to communicate with other computers over an internal network and over the public telecommunications network currently available or budgeted for purchase for the current, next, or future academic years;

(4) the experience of and training received by the relevant staff in the use of the equipment to be connected to the telecommunications network and training programs for which funds are committed for the current, next, or future academic years;

(5) existing or budgeted maintenance contracts to maintain computers; and

(6) the capacity of the schools' or library's electrical system to handle simultaneous uses."

A second excessive reporting burden is placed on schools and libraries by the Commission in its intent to require (see paragraph 573 of the Commission's Order) that "...schools and libraries must prepare specific plans for using these technologies, both over the near term and into

the future, and how they plan to integrate the use of these technologies into their curriculum.”

We believe that schools and libraries should and do make plans to ensure effective utilization of any resources they acquire for educational purposes. However, we don’t believe that the authorizing statute empowers the Commission to require such educational planning, to prescribe its format or content, to review and approve the quality of such documents or to require approval of such local education planning documents by any outside party in order to receive discounted telecommunications services. We cannot envision any circumstance in which the presence, absence, or quality of such local educational planning documents would justify rejection of any local school or library request for discounted telecommunications services.

The presence, absence or quality of local educational planning documents is not currently used by any telecommunications carrier to determine if they have a “bona fide request” for telecommunications services from any school or library. And, they should not be required in any future determinations.

We also note that the Commission has not required similar detailed facility inventories/assessments and planning documents from rural health care providers although the authorizing statute includes the exact same language with respect to the provision of telecommunications services to schools, libraries and rural health care providers upon receipt of a “bona fide request” for such services [Ref: PL 104-104, Section 254(h)(1)(A).]

FCC records manager’s request<sup>2</sup> states that “...a simple self-certification procedure for

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<sup>2</sup> ibid #1, page 7

schools and libraries would be the least burdensome way to ensure that schools and libraries are aware of the other resources that they may need to procure before ordering discounted telecommunications services and facilities.” and that<sup>3</sup>... “This procedure is significantly less burdensome than a proposed alternative requirement that schools and libraries secure outside approval of their technology plans from a government entity before receiving support.”

We concur that a self-certification process would be significantly less burdensome and hope that the FCC’s original intent to require specific educational planning activities or outside approval of school and library technology plans will be dropped as being incredibly and unconstitutionally intrusive upon local educational decision-making or that the originally proposed outside review process be revised in preference to school and library self-certification.

And finally, the estimates of reporting burden<sup>4</sup> by the FCC in its application for authority to impose these requirements on all schools and libraries in America under the Paperwork Reduction Act do not include any of the required inventory/assessments and planning activities that we are objecting to in this Petition for Reconsideration. It is estimated that the new detailed inventory/assessment activities alone will annually require at least an hour of internal survey time by every classroom teacher in America and many additional hours in the preparation and maintenance of detailed records and other summary documents by every school, library, school district office and/or consortium aggregating demand for services in order to support their required certifications under penalty of perjury. The number of burden hours required here could exceed several million and annual costs in terms of burden hours could easily exceed \$50,000,000

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<sup>3</sup> *ibid* #1, page 8

<sup>4</sup> *ibid* #1, page 13 at points “n” and “o”

to \$60,000,000.

We respectfully request that the Commission not require that schools and libraries conduct or include reports of facility inventories/assessments or local educational technology planning activities as part of any application for telecommunications services at the lowest corresponding price either with or without discounts to which they are eligible under the Commission's new Universal Service program. We believe that such application or pre-application requirements (1) are not essential elements of the purchasing process whereby telecommunications services are acquired and of which the FCC is authorized to regulate, (2) unconstitutionally usurp State and local authority for educational decision-making, and (3) represent a reporting burden in excess of what is minimally required under the Paperwork Reduction Act by telecommunications carriers and the Universal Service Fund Administrator in order to regulate and determine that schools and/or libraries have submitted "bona fide" requests for telecommunications services in accordance with PL 104-104, Section 254(h)(1)(B).

Respectfully submitted for the  
Global Village Schools Institute  
by:

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June 19, 1997

UNITED STATES GOVERNMENT

## memorandum

DATE: July 11, 1997

REPLY TO

ATTN OF: Irene Flannery

SUBJECT: OMB clearance

TO: Timothy Fain

OMB, in a memo dated June 16, 1997, stated that it generally approves the collection items specified in the Justification Statement filed in conjunction with the Paperwork Reduction Act submission in the Universal Service proceeding (CC Docket No. 96-45). OMB filed comments, however, on item 1.(o) of the Justification Statement, and stated that the collection items contained in item 1.(o) should not be implemented until OMB's comments are addressed. Item 1.(o) describes the application process with which schools and libraries will be required to comply in order to receive discounted services under 47 U.S.C. § 254(h).

OMB raised several specific issues of concern, which are outlined and addressed below.

(1) *"The Commission should review the use of State Educational certification organizations and library/medical oversight entities to meet the requirements of [s]ection 254(h)(4), (5), etc.."*

I am assuming that OMB means that the Commission should consider using such entities to approve schools' and libraries' technology plans, as required under 47 C.F.R. § 54.504(b)(2)(vii). The Commission is already in compliance with OMB's recommendation.

In paragraph 574 of the Universal Service Order (Order), the Commission stated that, ideally, technology plans will be approved by "a state agency that regulates schools or libraries." Because not all schools and libraries operate under the auspices of a state department of education, however, the Commission stated that it would receive guidance from the United States Department of Education and the Institute for Museum and Library Services as to alternative approval measures. The Department of Education has a process underway for making recommendations to the Commission. Those recommendations will be submitted to the Commission on August 1, 1997.

(2) *"[T]he State PUCs should provide lists of authorized service providers to the Administrator."*

It would appear that OMB assumes that only certain service providers will be eligible to provide

discounted services to schools and libraries. To the contrary, under 47 C.F.R.

§§ 54.502, 54.503, and 54.517, schools and libraries may receive discounted services from both telecommunications and non-telecommunications carriers. State PUCs, therefore, will be unable to compile lists of "authorized" service providers

(3) *"The FCC or the Administrator should obtain the data they need to calculate the level of contribution (based on participation in the Federal school lunch or similar programs) directly from USDA rather than requiring schools, districts or libraries to obtain this information."*

OMB's recommendation can be addressed in several ways. First, the Commission made every effort to adopt a measure of poverty that is familiar to most applicants and is routinely used by them. Consistent with the Joint Board's recommendation, most commenters supported the use of school lunch eligibility data, including the American Federation of Teachers, Great City Schools, New York Department of Education, and Ohio Department of Education. There is no record support for requiring that school lunch data be collected by the administrator rather than by schools.

Moreover, under 47 C.F.R. § 54.505(b), the Commission allowed schools that either do not participate in the school lunch program or schools that traditionally experience undercounting of eligible students to use federally-approved proxy models. Adoption of this alternative methodology represented a further effort by the Commission to accommodate the needs of schools and libraries.

Requiring the administrator to directly collect school lunch data would be inefficient because schools already collect such data themselves. In addition, schools and libraries will require direct access to that data to at least estimate the discounts to which they are entitled for purposes of ordering eligible services. Adopting OMB's approach, therefore, would impose a tremendous administrative burden on the universal service administrator without any apparent benefit to schools and libraries.

(4) *"[T]he FCC should reconcile its requirements for submission of funding requests with the varied fiscal calendars of the nation's school districts."*

The Commission wanted schools and libraries to receive universal service funding during the 1997-1998 school year and realized that most schools operate on a July 1 - June 30 fiscal year basis. The Commission, however, faced numerous issues making availability of funding on July 1 an impossibility. First, the 1996 Act imposed a May 8 deadline for adoption of the Commission's universal service Order. The Order was adopted on May 7 and released on May 8. Second, the Commission recognized the need to put in place an administrative system for the schools and libraries program, which would require appointment of an administrator. Putting an administrative structure in place that would facilitate a smooth and efficient application process for schools and libraries required far more time than the less than two month period between May 8 and July 1. For these reasons, the Commission adopted a calendar year as the funding year for the schools and libraries universal service program. If the Commission had not adopted a calendar year approach, schools and libraries would have to have waited until the 1998-1999



fiscal year to receive discounted services

*(5) "[T]he FCC is strongly urged to carefully review and fully justify the level of information that is being requested in 47 C.F.R. 54.504 item (b). The FCC shall also include burden hour and cost estimates required to meet these requirements and explain how this information will be used by the Administrator. The FCC should reexamine these requirements to determine alternative, less burdensome ways to comply with the Act. OMB believes that the concerns filed in the comments filed by the Global Village Schools Institute in a letter to OMB dated June 6th are valid and need to be addressed before 47 C.F.R. 54.504(b) takes effect. OMB is concerned about the broad reach of the rulemaking and the implications it has on planning of school districts, schools, and libraries."*

The Order contains sufficient justification for the level of information requested via the schools and libraries application process envisioned in 47 C.F.R. § 54.504. First, the Commission adopted the application process contained in the Order, including the technology inventory/assessment, the technology plan, and submission of a description of services to the universal service administrator, to fulfill section 254(h)(1)(B)'s requirement that schools and libraries submit bona fide requests for services eligible for universal service support. While section 254(h)(1)(B) does not expressly define the term "bona fide request," the Commission operated well within the scope of its discretion when, in paragraph 570 of the Order, it agreed with the Joint Board that Congress intended to require accountability on the part of schools and libraries and concluded that such accountability required a detailed application process. Moreover, the Commission adopted the application process in an effort to prevent waste, fraud, and abuse of the \$2.25 billion annual funding mechanism that will be available for eligible schools and libraries. The assertion that the Commission has no authority to require schools and libraries to comply with an application process prior to receiving discounted services, and that section 254(h) somehow entitles schools and libraries to receive discounted services without any strings attached, is one argument made by the Global Village Schools Institute (Global Village).

OMB instructs the Commission to consider Global Village's concerns as part of its justification of the application process adopted. In addition to the issue discussed above, Global Village raises four concerns. First, Global Village asserts that the application process is "inconsistent with the statute's intent to encourage competition among providers." To the contrary, the Order stimulates competition in the schools and libraries market because it permits both telecommunications and non-telecommunications carriers to provide discounted services to schools and libraries and to receive reimbursement from the administrator. Second, Global Village contends that the type of information contained in the inventory assessment is "unrelated to internal decision-making by schools and libraries as they formulate plans to acquire discounted telecommunications services," is not currently collected by schools and libraries, and would be virtually impossible to collect. It is difficult to fathom that schools and libraries would not consider such information as the number of computers and the type of internal connections in place before ordering discounted telecommunications services. The Commission anticipated that the collection of such information would be central to purchasing decisions and was necessary to prevent waste, fraud, and abuse.

Third, Global Village asserts that the Commission lacks the authority to require schools and libraries to prepare technology plans as a condition of receiving discounted services. Again, the Commission operated fully within the scope of its discretion in implementing section 254(h) when it interpreted the term "bona fide request." Fourth, Global Village contends that the Commission did not take into account completion of the inventory assessment and technology plans when calculating the estimates of reporting burdens contained in items (n) and (o) of the Justification Statement submitted to OMB. To the contrary, the Commission estimated that each and every school and library would spend approximately 4 hours complying with the application process. Considering the fact that many schools will join together on a district-wide basis to submit applications and technology plans, the burden hour estimates and the estimates of annual costs contained in the Justification Statement are sufficient.

*(6) "OMB also questions why similar requirements are not placed on rural health [care] providers."*

In paragraph 726 of the Order, the Commission required health care providers requesting universal service support to submit a written request for services and to certify to a number of conditions to comply with the bona fide request requirement contained in section 254(h)(1)(A). Because health care providers will not be receiving services discounted up to 90 percent (as will schools and libraries) and must still pay urban rates for services covered by support mechanisms, the Commission concluded in paragraph 727 of the Order that the need for safeguards against waste, fraud, and abuse is not as great for health care providers.

*(7) "OMB questions the requirement to heavily manage how schools, libraries, and health care providers acquire the services funded under this program outside of the requirements contained in the Telecommunications Act of 1996."*

Each requirement for receipt of discounted services by schools and libraries adopted by the Commission is well within the scope of the Commission's discretion exercised in implementing section 254(h).